

APPLICATION CHECK LIST - RISK RETENTION GROUP

NAIC No. _____ Internet Web Address _____

Company Name _____

State of Charter/License _____

Year of incorporation _____ Year commenced business _____

DATE OF APPLICATION: _____

Documents Required:

_____ Application for Registration (NAIC form-Part A enclosed)

_____ Appointment of Attorney (NAIC form-Part B enclosed)

_____ Annual Statement certified with original signatures for most recently completed year. **Also include** the Management Discussion and Analysis and copies of quarterly statements for quarters expired since last calendar year end. (Start-up RRG's must file either an NAIC annual or quarterly statement.)

_____ Audit report from an independent CPA firm for most recently completed year.

_____ Actuarial opinion made by a member of the American Academy of Actuaries, or a Loss Reserve Specialist under NAIC criteria.

_____ Copy of the most recent statutory financial examination report certified by the insurance department of your state of domicile. If there was a response to the recommendations in the examination report, please submit a copy. (Start-up RRG's must file a statutory organizational exam report.)

_____ Certified copy of Certificate of Authority from current State of Incorporation.

_____ Plan of Operation or Feasibility Study and revisions as submitted to the state in which the risk retention group is chartered and licensed. For informational purposes, include a copy of all policies to be offered for sale in Minnesota and a copy of your Articles of Incorporation.

Completed By _____

Title of Officer _____

Signature of Officer _____ Date _____

Signature of President _____ Date _____

PLEASE NOTE: A "certificate", "certification" or "certified copy" refers to an original document. Certification may be provided on the document itself or as an attachment to the document.

For a risk retention group seeking to be incorporated and licensed in Minnesota, the Plan of Operation or Feasibility Study is required to include the following:

MN Stat. §60E.02, Subd. 9. Plan of operation or feasibility study. "Plan of operation" or "feasibility study" means an analysis that presents the expected activities and results of a risk retention group including, at a minimum:

- (1) information sufficient to verify that its members are engaged in business or activities similar or related with respect to the liability to which the members are exposed by virtue of any related, similar or common business, trade, product, services, premises, or operations;
- (2) for each state in which it intends to operate, the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the group intends to offer;
- (3) historical and expected loss experience of the proposed members and national experience of similar exposures to the extent that this experience is reasonably available;
- (4) pro forma financial statements and projections;
- (5) appropriate opinions by a qualified, independent casualty actuary, including a determination of minimum premium or participation levels required to commence operations and to prevent a hazardous financial condition;
- (6) identification of management, underwriting and claims procedures, marketing methods, managerial oversight methods, investment policies, and reinsurance agreements;
- (7) identification of each state in which the risk retention group has obtained, or sought to obtain, a charter and license, and a description of its status in each state; and
- (8) other matters prescribed by the commissioner for liability insurance companies authorized by the insurance laws of the state.

The following is the uniform registration form adopted in June 1991, by the NAIC.

Part A

**STATE OF MINNESOTA
DEPARTMENT OF INSURANCE
RISK RETENTION GROUP – NOTICE AND REGISTRATION
(All Information Should Be Typed)**

1. Name of the Risk Retention Group as it appears on its Certificate of Authority:

2. List any other name(s) by which the Risk Retention Group is known or may be doing business in this State or any other state:

3. The Risk Retention Group is a corporation or other limited liability association whose primary activity consists of assuming and spreading all, or any portion, of the liability exposure of its members.

4. The Risk Retention Group is organized for the primary purpose of conducting the activity described under Item #3 above.

5. The Risk Retention Group is chartered and licensed as a liability insurance company under the laws of the State of _____, and is authorized to engage in the following lines and/or classifications of insurance under the laws of its chartering State:

6. The Risk Retention Group does not exclude any person from membership in the Group solely to provide for members of the Group a competitive advantage over such a person.

7. Ownership of the Risk Retention Group consists of one or the other of the following (check one):

a. _____ the owners of the Group are the only persons who comprise the membership of the Group and who are provided insurance by the Group.

b. _____ the sole owner of the Group is: _____

(Name and Address of Organization)

RISK RETENTION GROUP FORM

an organization which has as its members only persons who comprise the membership of the Group and which has as its owners only persons who comprise the membership of the group and who are provided insurance by the Group.

8. The Risk Retention Group members are engaged in businesses or activities similar or related with respect to the liability to which such members are exposed by virtue of related, similar, or common business, trade, product, services, premises or operations. Give a general description of businesses or activities engaged in by the Group's members:

9. The activities of the Risk Retention Group do not include the provision of insurance other than:

- (a) liability insurance for assuming and spreading all or any portion of the similar or related liability exposure of its Group members; and
- (b) reinsurance with respect to the similar or related liability exposure of another Risk Retention Group (or a member of such other Risk Retention Group) engaged in business or activities which qualify such other Risk Retention Group (or member) under Item #8 above for membership in this Group.

10. (a) List the name, social security number (SS#) and address of each officer and director of the Risk Retention Group: (Attach additional pages, if necessary.)

<u>Name</u>	<u>SS#</u>	<u>Position With Risk Retention Group</u>	<u>Address</u>
<hr/>	<hr/>	<hr/>	<hr/>
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- (b) Identify and give the telephone number of the officer or director of the Risk Retention Group who can be contacted for any information regarding the management of the insurance activities of the Group:

Name: _____ Telephone Number: _____

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11. List the name, address, telephone number and Federal Employer Identification Number (FEIN) of the company responsible for managing the insurance operations of the Risk Retention Group and the contact person at the company: (If none, answer none.)

<u>Name</u>	<u>FEIN</u>	<u>Address</u>	<u>Telephone #</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Contact Person: _____ Telephone # _____

12. List the name(s), SS#(s) and address(es) of the licensed insurance agent(s) or broker(s) responsible for marketing the Risk Retention Group's insurance policies and the state(s) in which they are licensed: (If none, answer none. Attach additional pages, if necessary.)

<u>Name</u>	<u>SS#</u>	<u>Address</u>	<u>State(s)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

13. The Risk Retention Group will comply with the unfair claim settlement practices laws of this State.
14. The Risk Retention Group will pay, on a non-discriminatory basis, applicable premium and other taxes which are levied on such Group under the laws of this State.
15. The Risk Retention Group has designated the Insurance Commissioner [Director, Superintendent] of this State to be its agent solely for the purpose of receiving service of legal documents or process by executing Part B of this form, attached hereto.
16. The Risk Retention Group will submit to examination by the Insurance Commissioner [Director, Superintendent] of this State to determine the Group's financial condition, if:
- (a) the Insurance Commissioner [Director, Superintendent] of the Group's chartering State has not begun or has refused to initiate an examination of the Group; and
 - (b) any such examination by the Insurance Commissioner [Director, Superintendent] is coordinated to avoid unjustified duplication and unjustified repetition.

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17. The Risk Retention Group will comply with a lawful order issued in a delinquency proceeding commenced by the Insurance Commissioner [Director, Superintendent] of this State upon a finding of financial impairment, or in a voluntary dissolution proceeding.
18. The Risk Retention Group will comply with the laws of this State concerning deceptive, false or fraudulent acts or practices, including any injunctions regarding such conduct obtained from a court of competent jurisdiction.
19. The Risk Retention Group will comply with an injunction issued by a court of competent jurisdiction upon petition by the Insurance Commissioner [Director, Superintendent] of this State alleging that the Group is in hazardous financial condition or is financially impaired.
20. The Risk Retention Group will provide the following notice, in at least 10-point type, in any insurance policy issued by the Group:

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your State. State insurance insolvency guaranty funds are not available for your risk retention group.

21. The Risk Retention Group has submitted to the Insurance Commissioner [Director, Superintendent] as part of this filing and before it has offered any insurance in this State, a copy of the plan of operation or feasibility study which it has filed with the Insurance Commissioner [Director, Superintendent] of its chartering State. This plan or study includes the name of the State in which the Group is chartered, as well as the Group's principal place of business, and such plan or study further includes the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the Group intends to offer. The Group will promptly submit to the Insurance Commissioner [Director, Superintendent] of this State any revisions of such plan or study to reflect any changes to the plan if the Group intends to offer any additional lines of liability insurance, including any change in the designation of the State in which it is chartered.
22. The Risk Retention Group will submit a copy of its annual financial statement submitted to its chartering state, to the Insurance Commissioner [Director, Superintendent] of this State, by March 1 of each year. The annual financial statement will be certified by an independent public accountant and include a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist. The certification and statement of opinion on loss and loss adjustment expense reserves will be submitted to the Insurance Commissioner [Director, Superintendent] of this State by the date it is required to be submitted to its chartering state.
23. The Risk Retention Group will not solicit or sell insurance to any person in this State who is not eligible for membership in the Group.
24. The Risk Retention Group will not solicit or sell insurance in the State, or otherwise operate in this State, if the Group is in hazardous financial condition or is financially impaired.

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25. The Risk Retention Group will not issue any insurance policy in this State which provides coverage prohibited generally by statute of this State or declared unlawful by the highest court of this State whose law applies to such policy.
26. The Risk Retention Group has submitted a registration fee of \$_____, if applicable, payable to the Insurance Commissioner [Director, Superintendent] of this State.
27. The Risk Retention Group will comply with all other applicable state laws.
28. The Risk Retention Group will notify the Insurance Commissioner [Director, Superintendent] as to any subsequent changes in any of the items included in this form.

The undersigned hereby swear and affirm that the foregoing statements and information regarding their principal, the _____ (Name of Risk Retention Group) are true and correct.

President of the Risk Retention Group

Secretary of the Risk Retention Group

State of _____) ss.
County of _____)

Sworn before me this _____ day of _____, _____.

_____, Notary Public. My Commission Expires:_____

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Part B

APPOINTMENT OF ATTORNEY TO ACCEPT SERVICE AND DESIGNATION

The _____ ("the Group"), a risk retention group which is chartered and licensed as a liability insurance company under the laws of the State of _____, having notified the Insurance Commissioner [Director, Superintendent] of the State of _____ of its intention to do business in this State as a risk retention group pursuant to the federal Liability Risk Retention Act of 1986, hereby appoints the Insurance Commissioner [Director, Superintendent] of the State of _____, any successor in office, and any authorized deputy its true and lawful attorney, in and for the State of _____, upon whom all legal documents or process in any proceeding against it may be served. Such service of process shall be of the same legal force and validity as if served personally upon the Group.

The Group designates:

(Name)

(Address)

(City, Town or Village)

(State and ZIP Code)

as its officer, agent or other person to whom shall be forwarded all legal documents or process served upon the Insurance Commissioner [Director, Superintendent] of the State of _____, any successors in office, or any authorized deputy, for the Group. This designation shall continue in full force and effect until superseded by a new written designation filed with the Insurance Commissioner [Director, Superintendent].

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This appointment and designation is made pursuant to a resolution by the Group's governing body authorizing it, and a certified copy of the resolution is attached hereto. This appointment shall be binding upon any person or corporation which as successor acquires the Group's assets or assumes its liabilities, by merger or consolidation or otherwise.

This appointment may be withdrawn only upon a written notice of termination and, in any event, shall not be terminated by the group or its successor so long as any contracts or liabilities or duties arising out of contracts entered into by the Group while it was doing business in this State are in effect.

IN WITNESS OF THIS APPOINTMENT AND DESIGNATION, the Group, in accordance with the resolution of its Board of Directors duly passed on _____, _____, has affixed its corporate seal, and caused the same to be subscribed and attested in its name by its President and Secretary, at the City of _____ in the State of _____ on _____, _____.

(Name of Risk Retention Group)

By: _____ President

Secretary

State of _____))ss:
County of _____)

Sworn before me this _____ day of _____, _____.

____ Notary Public. My Commission Expires: _____